UCC United Community Corporation

24 BRANFORD PLACE • NEWARK, N. J. 07102

623-7313

CYRIL D. TYSON
EXECUTIVE DIRECTOR

C. WILLARD HECKEL
PRESIDENT

S-U-M-M-A-R-Y

Statement of the United Community Corporation to the City of Newark relating to the historical development of the UCC, and in response to the report of the Newark Municipal Council Committee to Study the Anti-Poverty Program.

December 23, 1965

BACKGROUND

In September 1965, a committee of Newark's City Council was appointed to conduct a study of the anti-poverty program as it was developing in the city.

This month the committee issued its report attacking the United Community Corporation, the city's official Community Action Program agency, coordinating the local anti-poverty program under the Economic Opportunity Act of 1964.

The corporation, by directive of its executive committee, which comprises the officers and standing committee chairmen of the UCC, prepared a 78-page document describing its functions, structure and development in reply to the city council.

The UCC statement is divided into four parts, plus an appendix with 26 exhibits. It challenges the committee's conclusions and recommendations, as well as the conduct of the investigation.

THE UCC REPORT IN GENERAL

Part I deals with UCC's development and some events that led up to its incorporation. Part II describes in some detail the internal operating structure of the UCC, including personnel policies and practices, program development and fiscal management.

The major portion of the statement, 50 pages, is devoted to UCC's evaluation and response to the Council Committee report, in a point-by-point analysis of the committee's charges. The UCC report contains documented arguments to refute the allegations of the committee report.

CONDUCT OF THE COUNCIL COMMITTEE INVESTIGATION

Regarding the conduct of the investigation, for instance, the UCC statement points out that "it (UCC) conspicuously avoided public controversy" during the investigation but found "regrettable" the fact that the "committee did not approach its task with the sense of objectivity such an important undertaking required." This is reflected in the manner in which the investigation proceeded and in the content of the report itself, the statement continues.

Revealed is a series of events around the UCC's efforts to communicate with the council committee, which, the statement says, failed to do so until the very last minute when a notice to prepare extensive data and materials was for the first hearing received by UCC, allowing just two working days.

In that short time, Dean Willard Heckel, UCC president, prepared a detailed statement that was read at the first hearing on Sept. 9, and which was to be included in the exhibits appended to the committee report. Neither the transcript of the hearing ncr the appendix to the committee report contains Dean Heckel's statement.

In addition, many persons associated with the UCC, both voluntary board members and staff members, were to be called to testify to explain different technical facets of the agency's operation, but none was called to testify or to provide information, the statement points out.

The statement points to Councilman Bernstein's im-

proper use of materials submitted to the committee for "personal political purpose," and to the public statements made by some members of the committee prior to and during the period covering the investigation. One such statement was reported in the Newark Sunday News, August 22, 1965, when Councilman Addonizio claimed the agency (UCC) was dominated by "militant left-wing groups." But to date, no facts have been offered to support these claims.

SUMMARY OF CHARGES AGAINST UCC BY THE COUNCIL COMMITTEE

Although attempting to summarize the City Council report, UCC's statement points out that it was difficult to do, in that the committee engaged in a "rambling excursion into the field of speculation, assumption, inference and innuendo."

Nevertheless, the statement continues, the Council Committee report makes the following allegations:

1. The municipality is precluded from providing UCC matching funds under the Economic Opportunity Act because of alleged legal barriers to wit:
   a. constitutional prohibitions
   b. derivative contractual imponderables
2. The singular and exclusive control over hiring and programs by Cyril D. Tyson, executive director, constitutes an autocracy which is detrimental to the best interests of the City of Newark.
3. UCC has systematically excluded Newark residents

from employment on its staff.

4. There is a lack of relationship between salaries paid, background of employees and services to be performed; and excessively high salaries are paid to employees of UCC.
5. UCC programs lack essential fiscal controls to prevent them from becoming a source of political patronage.
6. UCC functions as a political pressure group.
7. UCC espouses a philosophy of maximum involvement of the poor, which is rejected by the committee as a conflict with its philosophy that substantial administrative and financial control of CAP agencies should repose in elected officials of the city.
8. Contribution of matching funds by the city to UCC will increase the budget and tax rate of the city.

CONSTITUTIONAL QUESTION REBUTTED

To counter the committee's position on the question of a barrier that precludes a municipality from providing funds to a private, non-profit organization, the UCC statement cites several significant New Jersey cases in which such use of public funds was upheld. On June 28, 1965, for instance, New Jersey Chief Justice Weintraub said, in part,

"...If the government decided there is a need which it should meet in the interest of its citizens, the amendments do not deny government the power to meet those needs through contracts with private companies..."

The alleged legal complexities raised by the committee are without merit or foundation; they are contrary to existing judicial opinion and the opinion of the city corporation counsel, and they reject the concept of total community effort as envisioned by the framers of the Economic Opportunity Act, says the UCC report.

CHARGES AGAINST TYSON REBUTTED

Moving to the committee charge that UCC has given its executive director "full control of all executive personnel" and "final say on all program," the UCC statement points out that this is a distortion of facts by the committee and "contrary to evidence submitted."

Observing that not a witness was called to bear upon this question--what the committee calls "detrimental to the best interest of the community"--the UCC statement delineates the role of UCC's personnel committee in selection and hiring, and the task forces and board of trustees in program planning and approval.

"The testimony presented to the council committee and the documents it considered are in fact diametrically opposed to the conclusion in the committee's report," the UCC says.

SYSTEMATIC EXCLUSION OF NEWARK RESIDENTS REBUTTED

In response to one committee request, UCC provided a list

of employees, their salaries and place of residence, indicating that 27 of the 35 persons on staff at that time resided in Newark; five others resided in Essex County.

Yet the committee report, which failed to include the roster as an exhibit, states that "UCC has systematically excluded Newark residents from key positions on its staff and other important positions."

Statistics as on December 15, 1965, show that 55 persons are employed by the UCC, of whom 44, or 80 percent, reside in Newark; five, or nine percent, reside in Essex County; four, or 7½ percent, reside in Metropolitan area of New Jersey; and two, or three and one-half percent, reside in New York City.

Comparing this record with Newark's Board of Education, UCC pointed out that as of December 15, 1965, 566 high school teachers were employed, of whom 352, or 62.2 percent, reside outside of Newark.

Substantial effort was in fact made to provide preference for Newark residents in the hiring of employees, the statement continues. This was consistent with the policy of UCC as enunciated by its board of trustees in a resolution stating in part:

> That wherever possible preference will be given to residents of Newark in the hiring of personnel for the United Community Corporation.

CHARGE OF HIGH SALARIES REBUTTED

To answer committee charges that UCC staff members are overpaid, based on their experience and duties, the UCC said the investigators "chose to rely on unsupported speculation" rather than the facts made available to them.

The UCC reply also included a survey of salaries supporting the position that "UCC" salaries are not excessive, are comparable, and, in some instances, lower rated than salaries paid in similar municipal positions, or other organizations engaged in anti-poverty work in the metropolitan area.

One chart compares administrative clerical jobs, based on median salary ranges, as paid UCC and employees of the City of Newark. When the 30-hour week and overtime premium for city employees is compared to 35-hour week and no overtime premium to UCC employees, the differential is widened ever further, depressing UCC salaries still further.

POLITICAL ACTION AND PATRONAGE CHARGE REBUTTED

The committee report charges the UCC with functioning as "a political action pressure group" because of its hiring policies and precedures, its alleged excessive salary scales, and alleged utilization of "log rolling, back scratching, and feather-bedding" techniques in providing jobs for a select few.

Replying, the UCC said:

We have abundantly demonstrated the care devoted to development of sound hiring practices and procedures. It is difficult to believe that the committee intended to impugn the

integrity of such community leaders as the Dean of the Rutgers Law School, a senior vice president of the Prudential Insurance Company, religious leaders of all faiths, and community leaders of all levels, by suggesting that UCC has been permitted by them to assume the image of a political instrumentality that warranted resort to the adjectives used in the report to describe its activities. UCC has studiously sought to avoid becoming a political instrument or vehicle. The statement continues, the board of trustees adopted a resolution to "lay aside any political differences...and unite together for the common goal of eliminating the poverty and misery suffered by thousands of Newark Citizens.

A resolution on political activity was also adopted, requiring an elected trustee to take a leave of absence from the board during any period he or she was an "avowed candidate for public office" and permitting cancellation of membership in the UCC if any trustee "uses, attempts to use, or threatens to use the corporation for political purposes."

FISCAL CONTROL EXPLAINED

On the question of fiscal controls and the dangers of political patronage, the UCC stated:

> The committee report charges a lack of fiscal controls sufficient to prevent UCC from becoming a source for "a political grab bag or pork barrel, relying upon very limited testimony.

The UCC notes that the committee never sought any information with respect to the UCC fiscal controls, nor was there any interrogation of witness with respect to fiscal matters.

The concerns expressed in the report about the September 9th hearing and the political significance attached to the fact that "the council chambers were packed with patrons and beneficiaries of UCC" attribute a different motive or purpose than in fact existed. The council committee convened a hearing on a matter of vital concern to the community. There is no evidence that UCC exercised any influence or brought pressure to bear upon individuals or groups to attend and participate. The public expressions at the hearing were not the result of any UCC actions designed to "pack" the council chambers. Community participation in the hearing was a positive expression of an awakening and a new and healthy vigor and spirit in the City of Newark, the UCC declared.

THE IMPAIRMENT OF NEWARK'S FISCAL STRUCTURE REBUTTED

Finally, the committee reports that contributions of matching funds to UCC will impair seriously the city's fiscal structure. However, once again, no substantial facts are offered to support such a conclusion.

The following is a recapitulation of the funding process, focusing on a comparison of Federal and local funds, during UCC's first full operational year:

Received from OEO grants		$ 3,420,771.00
Head Start Grant		602,940.00
TOTAL OEO Funds to Newark through UCC		4,023,711.00

Contributions Received

Cash

State	60,000.00	
City (initial)	15,000.00	
Board of Education	15,000.00	
Welfare Federation (UCF)	15,000.00	
City (supplement)	13,503.00	
TOTAL CASH		$118,503.00

In-Kind

City (Block Proposal	$ 17,733.00	
City (Senior Citizens)	1,250.00	
Community Pledge (Blazer Council)	37,640.00	
Community & Full-Year Pre-School	192,969.00	
Seton Hall	6,800.00	
Queen of Angels Church	3,025.00	
Board of Education	60,300.00	
TOTAL IN-KIND		$319,717.00

TOTAL CONTRIBUTIONS (Cash and for facilities & Services)	438,220.00
NET GAIN TO NEWARK	$ 3,585,491.00

One is able to see from this breakdown that the City of Newark paid in cash $28,503 for funds exceeding $4 million.

While every dollar brought into the community does not have an immediate direct impact upon the tax structure, the end product of these programs will be economically beneficial to the city.

Perhaps of most significance is the impact of a program such as the Blazer Youth Council, which, in removing 200 welfare recipients from the relief roles, will produce a saving of $600,000 to the city. This one program will have an immediate direct effect on the city's economy and is a forecast of how ingenuity in program development can fulfill the objectives of the Economic Opportunity Act in helping to eliminate poverty, bring about an improved social order in the city and, during this process, release city welfare and related funds to other city needs, thereby helping to stabilize and expand the city's economy, the statement continues.

There is nothing in the UCC programs that would place an undue burden on city finances. The evidence to date reflects that monies brought into the city were utilized in the organizational phase, plus interesting programs such as summer and full year Pre-School, Blazer Youth Council, Neighborhood Block Program, and the myriad of other programs regularly reported in the public press. The present 1966 budget request will bring well over $1,000,000 in Federal monies at a cost to the city of $33,000. This expenditure can hardly be conceived as seriously impairing

the city's fiscal image, the UCC report continues.

The committee report presents this conflict as one of "control" over community action agencies, charging, in part, that UCC "has espoused a philosophy which your committee rejects."

The UCC has, heretofore, outlined its philosophy and how it feels. It has pursued the objective of maximum feasible participation of residents of the area. Mr. Frederick O. Hayes, Chief of Field Operations in the Community Action Program Division of the Office of Economic Opportunity, was reported in the Newark Evening News (Nov. 9, 1965) as having

> "...cited the UCC's neighborhood Anti-Poverty Boards, the Newark Pre-School Council and the Blazer Youth Council as outstanding efforts to involve ordinary citizens in the planning and operation of poverty programs."

The UCC does not seek the exclusion of the city government from development of its program. It has clearly outlined its adherence to the concept of the total city-wide effort that must be pursued. The UCC stands by this view and seeks the cooperation of all segments of the city in the fulfillment of it mission.

Prepared by:
Community Information Department
1/5/66

Copies of the entire UCC report are available upon request.